

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

**770 L Street, Room 1160
Sacramento, CA**

**Minutes of Meeting
January 27, 2011**

COMMISSIONERS PRESENT

Michele Burton, M.P.H.
Daniel Eaton
Diane Griffiths
Marvin Kropke
Vicki Marti

COMMISSIONERS ABSENT**EX-OFFICIO MEMBERS PRESENT**

Lisa Kawano, Department of Health Care Services
Robert Nelson, Department of Finance

EX-OFFICIO MEMBERS ABSENT**CMAC STAFF PRESENT**

J. Keith Berger, Executive Director
Tacia Carroll
Paul Cerles
Nathan Davis
Denise DeTrano
Keith Farley
Dana Griggs
Katie Knudson
Marilyn Nishikawa
Becky Swol
Mike Tagupa
Karen Thalhammer

I. Call to Order

The January 27, 2011 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner Eaton. A quorum was present. On behalf of the Commission, Commissioner Eaton wished everyone a happy new year. He also welcomed Commissioner Diane Griffiths back to CMAC and noted that Commissioner Nancy McFadden would not be returning to CMAC due to her new duties and responsibilities in the Governor's Office. [She has been appointed as Executive Secretary of Legislation, Appointments and Policy]. Commissioner Eaton stated that her contributions to the Commission were of great value and that we will miss her and her counsel, but that CMAC wishes her well in her new position.

II. Approval of Minutes

The December 9, 2010 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

J. Keith Berger, Executive Director, began his report by also welcoming Commissioner Griffiths back to CMAC. He stated that he and CMAC staff enjoyed working with her in the past, and that they are looking forward to working with her again. Commissioner Griffiths responded in kind.

Mr. Berger noted that CMAC would hear a briefing from the ex-officio members on the Governor's January 10, 2011 proposed budget later on the agenda. He explained that the Governor has declared a fiscal emergency, and has requested that the Legislature act on the budget by March 1, 2011. He noted that Legislative subcommittees have begun deliberations and budget hearings are actively taking place.

Mr. Berger reported that CMAC staff continues to work hard on several supplemental programs and a number of non-rate related amendments/contracts. He stated that CMAC staff and Commissioners would be very busy during the next couple of months. He concluded by saying it is good to have Commissioners back and that he looks forward to a good year in 2011.

IV. Department of Health Care Services (DHCS) Report

Lisa Kawano, DHCS, informed CMAC that Toby Douglas was appointed the new Director of DHCS as of January 7, 2011; he has been Chief Deputy Director since 2009 and with the Department since 2005.

Currently, DHCS is working on the Disproportionate Share Hospital (DSH) list. They are reviewing proposed amendments from several hospitals. The DHCS hopes to have the amendments addressed and resolved soon, so that the final DSH list can be issued in the near future.

Ms. Kawano informed CMAC that the rate freeze has been implemented, and that DHCS has been served with a lawsuit filed by the hospital association. She stated that they are in the process of responding to the lawsuit.

Ms. Kawano reported on several of the Governor's budget proposals and how they would affect Medi-Cal patient co-payments. The co-payment for a hospital stay would be \$100/day, up to \$200/admission. For Emergency Room (ER) visits, emergency or non-emergency, the co-payment would be \$50/incident. If an ER visit results in an inpatient stay, the \$50 would be waived; then the \$100 hospital stay co-payment would be implemented. Hospitals would be responsible for collecting the co-payments, not DHCS. Hospitals could

waive the co-payments, but DHCS would still reduce claims payments to the hospitals by the co-payment amounts.

V. Department of Finance (DOF) Report

Robert Nelson, DOF, reported to CMAC that the projected budget deficit for FY 2011-2012 is \$25.4 billion. He said \$103.6 billion in budgetary actions were adopted between FY 2008-2010; and that last year of all the actions that took place, 85% were either temporary or failed, explaining why the deficit is still so large. Some of the proposed solutions that may impact CMAC include co-payments and 10% reductions in provider rates. He noted that there is a proposal for a six-month extension of the hospital fee program through June 2011. Mr. Nelson also reported that, in addition, SB 7, introduced by Senator Steinberg on December 7, 2010, also proposes a hospital fee extension through June 2011.

Mr. Nelson noted that there is no impact to CMAC's positions and budget for 2011 and 2012 in the Governor's proposed budget.

VI. Public Comments/Adjournment

Myrna Allen, of the Government Relations Group, which represents a number of contract hospitals, had questions regarding how the rate freeze will be implemented to help hospitals prepare reports to their bonding agencies and finalize their budgets. She requested a contact person from whom she and the hospitals could obtain information on timelines and methodology for implementing the rate freeze and any retroactive recoupments.

Ms. Kawano offered Richard Sanchez as a contact to answer their questions and provided his email address (richard.sanchez@dhcs.ca.gov.)

There being no further public comments, Commissioner Eaton recessed the open session. Commissioner Eaton opened the closed session, and after closed session items were addressed, adjourned the closed session at which time the Commission reconvened in open session. Commissioner Eaton announced that the Commission had taken action on hospital contracts and amendments in closed session. The open session was then adjourned.